

Assembly Bill No. 2275

CHAPTER 673

An act to add Section 1374.195 to the Health and Safety Code, and to add Section 10120.3 to the Insurance Code, relating to health care coverage.

[Approved by Governor September 30, 2010. Filed with
Secretary of State September 30, 2010.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2275, Hayashi. Dental coverage: noncovered benefits.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care, and makes a willful violation of its provisions a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires contracts between plans or insurers and providers to be fair and reasonable and requires plans and insurers to reimburse a claim for covered services within a specified period of time of receiving the claim.

This bill would, with respect to a contract between a health care service plan, specialized health care service plan, or insurer covering dental services and a dentist to provide dental services to enrollees or insureds, prohibit the contract from requiring a dentist to accept an amount set by the plan or insurer as payment for dental care services provided to an enrollee or insured that are not covered services under the enrollee's contract or the insured's policy. The bill would also prohibit a provider from charging more than his or her usual and customary rate for dental services not covered under a health care service plan contract or health insurance policy. The bill would require the evidence of coverage and disclosure form for a plan contract or health insurance policy covering dental services that is issued, amended, or renewed on or after July 1, 2011, to contain a specified statement regarding noncovered services.

Because a willful violation of these requirements by a health care service plan would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 1374.195 is added to the Health and Safety Code, to read:

1374.195. (a) With respect to a contract between a health care service plan or specialized health care service plan and a dentist to provide covered dental services to enrollees of the plan, the contract shall not require a dentist to accept an amount set by the plan as payment for dental care services provided to an enrollee that are not covered services under the enrollee's plan contract. This subdivision shall only apply to provider contracts issued, amended, or renewed on or after January 1, 2011.

(b) A provider shall not charge more for dental services that are not covered services under a plan contract than his or her usual and customary rate for those services. The department shall not be required to enforce this subdivision.

(c) The evidence of coverage and disclosure form, or combined evidence of coverage and disclosure form, for every health care service plan contract covering dental services, or specialized health care service plan contract covering dental services, that is issued, amended, or renewed on or after July 1, 2011, shall include the following statement:

IMPORTANT: If you opt to receive dental services that are not covered services under this plan, a participating dental provider may charge you his or her usual and customary rate for those services. Prior to providing a patient with dental services that are not a covered benefit, the dentist should provide to the patient a treatment plan that includes each anticipated service to be provided and the estimated cost of each service. If you would like more information about dental coverage options, you may call member services at [insert appropriate telephone number] or your insurance broker. To fully understand your coverage, you may wish to carefully review this evidence of coverage document.

(d) For purposes of this section, "covered services" or "covered dental services" means dental care services for which the plan is obligated to pay pursuant to an enrollee's plan contract, or for which the plan would be obligated to pay pursuant to an enrollee's plan contract but for the application of contractual limitations such as deductibles, copayments, coinsurance, waiting periods, annual or lifetime maximums, frequency limitations, or alternative benefit payments.

SEC. 2. Section 10120.3 is added to the Insurance Code, to read:

10120.3. (a) With respect to a contract between an insurer covering dental services and a dentist to provide covered dental services to insureds, the contract shall not require a dentist to accept an amount set by the insurer as payment for dental care services provided to an insured that are not covered services under the insured's policy. This subdivision shall only apply to provider contracts issued, amended, or renewed on or after January 1, 2011.

(b) A provider shall not charge more for dental services that are not covered services under a health insurance policy than his or her usual and customary rate for those services. The department shall not be required to enforce this subdivision.

(c) The evidence of coverage and disclosure form, or combined evidence of coverage and disclosure form, for every health insurance policy covering dental services, or specialized health insurance policy covering dental services, that is issued, amended, or renewed on or after July 1, 2011, shall include the following statement:

IMPORTANT: If you opt to receive dental services that are not covered services under this policy, a participating dental provider may charge you his or her usual and customary rate for those services. Prior to providing a patient with dental services that are not a covered benefit, the dentist should provide to the patient a treatment plan that includes each anticipated service to be provided and the estimated cost of each service. If you would like more information about dental coverage options, you may call member services at [insert appropriate telephone number] or your insurance broker. To fully understand your coverage, you may wish to carefully review this evidence of coverage document.

(d) For purposes of this section, “covered services” or “covered dental services” means dental care services for which the insurer is obligated to pay, pursuant to an insured’s policy, or for which the insurer would be obligated to pay pursuant to an insured’s policy but for the application of contractual limitations such as deductibles, copayments, coinsurance, waiting periods, annual or lifetime maximums, frequency limitations, or alternative benefit payments.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.